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***DRAFT***

## Appropriations Policy Brief

### H.J.Res. 20—Making Continuing Appropriations for Fiscal Year 2007 *Omnibus Appropriations Bill*

#### BY THE NUMBERS:

*In millions*

	<b>Request</b>	<b>H.J.Res. 20</b>
Agriculture	17,415	17,727
Energy and Water	29,472	30,265
Foreign Operations	23,687	21,730
Interior and Environment	25,478	26,324
Labor, Health, and Human Services	137,798	144,414
Legislative Branch	4,234	3,754
Military Quality of Life	94,985	91,855
Science, State, Justice, and Commerce	59,697	59,805
Transportation, Treasury, and HUD	67,650	66,697
<b>Total</b>	<b>460,416</b>	<b>463,456</b>

**Budget Compliance:** According to CBO, the resolution complies with the 302(a) allocation of the Appropriations Committee, and thus *technically* complies with the Budget Act.

However, while the resolution relies on a number of rescissions from various federal transportation programs, to stay within its allocation, it produces no outlays savings. Specifically, the resolution rescinds *at least* \$3.5 billion in contract authority (CA). However, this CA rescission is not accompanied by any reduction in the obligation limitations—annual controls placed in appropriations bills primarily on the amount of transportation funds that may be spent or obligated by the Treasury. Therefore, CBO does not score these rescissions as producing any real *outlay* savings because the money was not going to be spent (i.e. result in outlays to the Treasury)—and thus the taxpayer is not made whole for the new spending elsewhere in the bill that the rescissions “pay” for. Some conservatives may be concerned that actual spending by the federal government will not be reduced by one penny by these rescissions and that the maneuver amounts to a gimmick to comply with the budget resolution.

**Summary:** H.J.Res. 20 would authorize continued funding with respect to the remaining appropriations bills, for the remainder of FY2007, since the current continuing resolution is set to expire on February 15, 2007. In general, the resolution would authorize funding at *current law levels (FY 2006)*, adjusted to exclude any emergency funding. However, H.J.Res. 20 includes *numerous* exceptions to that rule, providing less or more spending depending on the account. ***According to the Appropriations Committee's own press release, they increase spending by \$10 billion above a straight extension of FY2006 levels.***

**Additional Background:** To date, 10 of the 11 FY2006 appropriations bills passed by the House (all except Labor/HHS), but only two passed by the Senate and signed into law (Defense and Homeland Security). Without this continuing resolution, the portions of the federal government that are funded by the remaining appropriations bills could not operate past February 15, 2007.

**Earmark Statement:** Under clause 9 of rule XXI, lists or statements on congressional earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

H.J. Res. 20, making further continuing appropriations for fiscal year 2007, and for other purposes, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

**Conservative Concerns:** This resolution contains numerous provisions that may be of concern to conservatives. They are highlighted throughout this Legislative Bulletin, in their respective chapters.

**Below are the highlights of the resolution:**

**Pro-Life Riders:** Includes language (Section 104) that appropriations will be made available subject to the same "requirements, authorities, conditions, limitations, and other provisions of the appropriations Acts." This language ensures that legislative riders (many of them pro-life riders) would be carried over into FY 2007. Such riders include, but are not limited to, the Kemp-Kasten amendment (prevents funding for organizations that participate in coercive abortion programs), Hyde Amendment (bans federal funding of abortions, except in cases of rape, incest, or life of the mother), the Mexico City policy (prevents organizations receiving federal funds from promoting abortion as a method of family planning), and the Helms Amendment (prevents foreign aid from being spent on abortion services).

**Advance Appropriations:** Extends any advance appropriations in effect for FY 2007-2008 to FY 2008-2009. Currently, many appropriations bills include advance appropriations as a way to provide funding, albeit in future fiscal years, without it counting against the budget resolution. Since 2000, budget resolutions have included a point of order limiting the use of advanced appropriations to essentially current law levels. H.J.Res. 20, by merely extending advance appropriations, is consistent with that cap.

**Federal Pay Increase:** Establishes a fund to cover 50% of the pay increase scheduled for federal employees. According to estimates, this provision would cost roughly \$900 million. Each agency would have to absorb the rest of the pay increase from their various accounts.

**Earmark Reform:** Includes language (Sec. 112) stating that “any language specifying an earmark in a committee report or statement of managers accompanying an appropriations act for fiscal year 2006 shall have no legal effect with respect to funds appropriated by” this resolution. However, the language does not extend to earmarks included in FY 2007 bills, that while not enacted, might still provide guidance to federal agencies. While the resolution refers to “earmarks,” the language does not define earmarks. **Note:** The Appropriations Committee may argue that the base funding levels for capital energy and water appropriations accounts include the funding levels for multi-year earmarks passed in FY 2006. As a result, they may argue that the bill contains more a dozen earmarks.

**Member Pay Increase:** Prohibits the automatic COLA for Members of Congress from taking effect during FY 2007.

**Below are specific provisions of the resolution:**

**Chapter 1 – Department of Agriculture**

*RSC Staff Contact: Joelle Cannon*

On May 23, 2006, the House passed the FY2007 Department of Agriculture Appropriations Act, (H.R. 5384) by a vote of [378 - 46](#). To read the RSC Legislative Bulletin on the House-passed bill, please click [here](#).

- Increases by \$34 million, funding for the Animal and Plant Health Inspection Service.
- Increases by \$141.2 million, the child nutrition programs offered through the Food and Nutrition Service.

**Chapter 2 – Department of Defense**

*RSC Staff Contact: Joelle Cannon*

On June 20, 2006, the House passed the Department of Defense Appropriations Act, (H.R. 5631) by a vote of [407 - 19](#). To read the RSC Legislative Bulletin on the conference report, click [here](#).

- Provides additional funding for a number of different accounts, including the following accounts
  - Army (housing for active duty): \$3.9 billion
  - Navy (housing for active duty): \$3.7 billion
  - Marine Corps (housing for active duty): \$1.2 billion
  - Air Force (housing for active duty): \$3.3 billion
  - National Guard, Army: \$457 million

- National Guard, Air Force: \$258 million
- Provides that up to \$10.8 billion may be available for contracts entered into under the TRICARE program.
- Provides \$127.5 million for breast cancer research at the DoD, of which \$10 million is to be for ovarian cancer research activities.

### **Chapter 3 – Energy and Water Development**

*RSC Staff Contact: Joelle Cannon*

On June 20, 2006, the House passed the Energy and Water Development Appropriations Act, (H.R. 5427) by a vote of [404 - 20](#). To read the RSC Legislative Bulletin on the House-passed bill, visit click [here](#).

- Provides that a number of previously-enacted earmarks would not affect expenditures of the appropriated money during FY 2007.
- Directs that a provision in current law designed to insure against cost overruns in individual water projects authorized under the Water Resources Development Act of 1998, is **not** to apply during FY 2007 to any project that received funds provided for in the CR.
- Provides that \$1.47 billion of DoE's Energy Supply and Conservation fund is to be used for Energy Efficiency and Renewable Energy Resources.
- Provides that \$115.5 million is to be used for the Global Threat Reduction Initiative.
- Provides that DoE may not make available any of the funds provided by this Act division for construction activities for Project 99-D-143, mixed oxide fuel fabrication facility, Savannah River Site, South Carolina, until August 1, 2007. Under current law, this site is prohibited from receiving federal funding. This provision would lift that prohibition, effective August 1, 2007, so that the facility is eligible for funding, as is any other facility.
- Prohibits funding for the Elk Hills School Lands Fund.

### **Chapter 4 – Foreign Operations, Export Financing, and Related Programs**

*RSC Staff Contact: Derek V. Baker*

On June 9, 2006, the House passed the FY 2007 Department of State, Foreign Operations, and Related Programs Appropriations Act (H.R. 5522) by a vote of 373 – 34 ([Roll Call 250](#)). Click here the [RSC Legislative Bulletin](#) on the House-passed bill and amendments ([Amendments1](#), [Amendments2](#), and [Amendments3](#)).

- Increases funding for the Foreign Military Financing Program by \$96 million over the FY 2006 level, but \$100,000 less than the President's request.
- Increases funding for Peacekeeping Operations by \$50 million over FY 2006, and increases Sudan Peacekeeping Operations by \$8.6 million over the FY 2006 level.
- Decreases assistance for the Independent States of the former Soviet Union by \$59 million over FY 2006, but \$11 million over the President's request.
- Increases funding for the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) by \$177 million (from \$200 million to \$377.5 million) over the FY 2006 levels. Some conservatives may be concerned that the Global Fund is not required to abide by U.S. laws prohibiting funding for needle exchange programs, supporting abstinence until marriage education, and limiting support for efforts that support or promote the legalization of prostitution-at the expense of bilateral U.S. AIDS programs, which *are* accountable to U.S. laws and adhere to the President's principles.
- Eliminates funding the following accounts: Multilateral Economic Assistance (\$1.3 million in FY 2006), Inter-American Investment Corporation (\$1.7 million in FY 2006), and the European Bank for Reconstruction and Development (\$1 million in FY 2006).
- Rescinds \$31 million in unobligated funds appropriated to the International Development Association.
- Rescinds \$200 million in unobligated funds from the Economic Support fund under the Bilateral Economic Assistance heading.
- Strips numerous earmarks that existed in the House passed Appropriations bill.
- Strikes the provision that restricts funds (under U.S. AID) for the International Red Cross unless the Secretary of State determines that the Magen David Adom (MDA) Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement. This may be due to the fact that the MDA gained full membership into the International Red Cross and Red Crescent Movement with the acceptance of the Geneva Protocol III in 2006 (see [H.Con.Res. 435](#) in the 109<sup>th</sup> Congress).
- Allows the Treasury Secretary to contribute \$150 million to replenish the Enterprise for the Americas Multilateral Investment Fund.

## **Chapter 5 – Interior, Environment, and Related Agencies**

*RSC Staff Contact: Derek V. Baker*

On May 18, 2006, the House passed the FY 2007 Interior, Environment, and Related Agencies Appropriations Act (H.R. 5386) by a vote of 293 –128 ([Roll Call 172](#)). Click here to read the [RSC Legislative Bulletin](#) on the House-passed bill and amendments ([Amendments1](#) and [Amendments2](#)).

- Allows the National Park Service to transfer up to \$5 million to the U.S. Park Police.
- Strips numerous earmarks that existed in the House passed Appropriations bill.
- Specifies for the Smithsonian Institution that the current terms and conditions do not require a specific grant for the Council of American Overseas Research Centers or for the reopening of the Patent Office Building.
- Transfers \$7.4 million, previously provided to build a wildfire management training facility, to be used for hazardous fuels reduction, hazard mitigation, and rehabilitation activities at the Forest Service.

## **Chapter 6—Departments of Labor, Health and Human Services, and Education, and Related Agencies**

*RSC Staff Contact: Joelle Cannon*

The full House did not consider the FY2007 Labor/HHS Appropriations Act (H.R. 5647) during the 109<sup>th</sup> Congress.

- The bill would increase total Labor/HHS spending by \$2.3 billion above the FY 2006 enacted level. This represents a \$6.6 billion increase over the President's request.
- Prohibits funds from being used to reduce the Job Corps total student training slots below 44,491 for 2006 or 2007.
- Provides that none of the funds in the bill should be used to finalize or implement any proposed regulation under certain labor acts, unless Congress reauthorizes the Workforce Investment Act of 1998 and the Trade Adjustment Assistance (TAA) Reform Act of 2002. This essentially calls for the reauthorization of these two pieces of legislation. TAA provides unemployment benefits and federal aid to individuals who lose their job because of changes in U.S. trade policies.
- Prohibits states from using funds awarded in this Act, the Wagner-Peyser Act, or title II of the Social Security Act to amortize the costs of real property that is purchased by any state on or after the date of enactment.
- Increases by \$75.8 million, funding for the Ryan White AIDS CARE Act. The increase is directed only to State grants and there is no increase for AIDS drug assistance programs (ADAP). Because hundreds of patients living with HIV are on waiting lists for AIDS drugs, conservatives generally prefer AIDS funding be

directed towards ADAP rather than state or city grants which can be spent on non-essential AIDS welfare services. In addition, the bill defunds (prohibits spending on) the Ryan White early diagnosis grant program. **Conservatives may be concerned that this bill defunds the early testing and diagnostic programs, championed by Senator Coburn, that supports successful initiatives that have dramatically reduced cases of “baby AIDS.” According to the office of Senator Coburn, New York, Connecticut, Florida and Illinois will immediately be denied funding this year for their HIV testing programs as a result of this provision.”**

- Increases by \$4 million, funding for the NIH Center on Minority Health and Health Disparities.
- Provides that \$13.9 million of funding for the Public Health Service Act is to be used to carry out the Hawaiian Health Care Improvement Act, which provides health care funding to Native Hawaiians. **Some conservatives may be concerned that this bill increases federal benefits to Native Hawaiians. Native Hawaiians are a racial group, not a tribe, and dispensing benefits to them would likely be subject to strict scrutiny in federal courts. Providing additional financial assistance to this group is not only duplicative of numerous current federal education programs, but is also likely unconstitutional.**
- Provides that of the funding for the Office of the Director, \$69 million is to be used to carry out the “National Children’s Study.”
- Allows funding to be used by NIH for “improvements and repairs of facilities” not to exceed **\$2.5 million per project.**
- Increase the NIG budget to \$28.9 billion, an increase of \$619.5 million.
- Provides that of the \$3.1 billion allotted to CMS for “program management,” \$15.9 million is for the Real Choice Systems Change Grants to states, and \$48.9 million is for contract costs for the Healthcare Integrated General Ledger Accounting System.
- Increases No Child Left Behind Title I basic grants and specialty grants, each by \$125 million.
- Increases Pell Grant spending by \$615 million by raising the maximum annual grant from \$4,050 to \$4,310 (increase of \$260).
- Provides that of the \$316.6 million in funding for the Corporation for National and Community Service, Domestic Volunteer Service Programs, \$3.5 million is to be used to establish in the Treasury a VISTA Advance Payments Revolving Fund, for the Corporation which, in addition to reimbursements collected from eligible public agencies and private nonprofit organizations pursuant to cost-share agreements, is to be expended to make advance payments in furtherance of title I of the Domestic Volunteer Service Act of 1973.

## **Chapter 7—Legislative Branch**

*RSC Staff Contact: Paul Teller*

On June 7, 2006, the House passed the FY2007 Legislative Branch Appropriations Act (H.R. 5521) by a vote of 361-53 (<http://clerk.house.gov/cgi-bin/vote.asp?year=2006&rollnumber=229>).

To read the RSC Legislative Bulletin on the House-passed bill, visit these webpages: [http://www.house.gov/hensarling/rsc/doc/LB\\_060706\\_LegBranchApprops.doc](http://www.house.gov/hensarling/rsc/doc/LB_060706_LegBranchApprops.doc) and [http://www.house.gov/hensarling/rsc/doc/LB\\_060706\\_LegBranchAppropsAmdts.doc](http://www.house.gov/hensarling/rsc/doc/LB_060706_LegBranchAppropsAmdts.doc).

- Increases funds for Senate office personnel and office expenses (under Contingent Expenses of the Senate) from \$342.1 million in FY2006 to \$361.5 million.
- Allows transfers of funds from the account “Senate, Contingent Expenses of the Senate, Sergeant at Arms and Doorkeeper of the Senate” to “Architect of the Capitol, Senate Office Buildings” for the purposes of acquisitions of real property “to support the operations of the Senate. The Senate Appropriations Committee would have to approve of such transfer.
- Increases funds for House of Representatives, Salaries and Expenses from \$1.09 billion in FY2006 to \$1.13 billion. Note: this does NOT include Member salaries.
- Deems that the responsibilities of positions under the House Press Gallery, the House Periodical Press Gallery, and the House Radio and Television Correspondents’ Gallery would include providing media support services with respect to the presidential nominating conventions of the national committees of political parties.
- Increases funds for Capitol Police, General Expenses from \$31.7 million in FY2006 to \$38.5 million and provides that the costs of basic training for the Capitol Police would be paid by the Department of Homeland Security.
- Allows for transfers within the sub-accounts for the Capitol Visitors Center (operations, fit-out, and cost-to-complete), upon approval of both Appropriations committees.
- Strips the three earmarks from the Library of Congress, Salaries and Expenses section in the FY2006 Legislative Branch Appropriations Act.
- Rescinds the following unobligated Library of Congress balances:
  - \$47.0 million from the National Digital Information Infrastructure;
  - \$695,394 from furniture and furnishings; and
  - \$1.9 million from the Integrated Library System.

## **Chapter 8—Military Quality of Life and Veterans Affairs**

*RSC Staff Contact: Joelle Cannon*



On May 19, 2006, the House passed the FY2007 Military Construction and Veterans Affairs and Related Agencies Appropriations Act, (H.R. 5385) by a vote of 395 – 0. To read the RSC Legislative Bulletin on the House-passed bill, please click [here](#).

- Increases funding for Military Construction for the Army, Navy, Marine Corps, Air Force, and Defense-Wide.
- Decreases funding for Military Construction for the Army and Air National Guards, and the Army, Navy and Air Force Reserve.
- Significantly decreases BRAC funding. Specifically, it provides \$2.5 billion for the Base Closure Account (BRAC). This is \$3.0 billion less than the House-passed level, and \$3.3 billion less than the President’s FY 2007 request. **Some conservatives may be concerned that any attempt later in the year to “fully-fund” BRAC will likely be included in a supplemental spending bill.**
- Provides an overall increase of \$3.6 billion for Veterans’ Affairs Health Care, of which \$2.7 billion is an increase for Medical Services for the Veterans Health Administration.

## **Chapter 9—Science, State, Justice, Commerce, and Related Agencies**

*RSC Staff Contact: Paul Teller*

On June 29, 2006, the House passed the FY2007 Science, State, Justice, Commerce Appropriations Act (H.R. 5672) by a vote of 393-23 (<http://clerk.house.gov/cgi-bin/vote.asp?year=2006&rollnumber=349>).

To read the RSC Legislative Bulletin on the House-passed bill, visit these webpages:

[http://www.house.gov/hensarling/rsc/doc/LB\\_062706\\_SSJCAAppropsFY07.doc](http://www.house.gov/hensarling/rsc/doc/LB_062706_SSJCAAppropsFY07.doc)  
[http://www.house.gov/hensarling/rsc/doc/LB\\_062706\\_SSJCAAppropsFY07Amdts1.doc](http://www.house.gov/hensarling/rsc/doc/LB_062706_SSJCAAppropsFY07Amdts1.doc)  
[http://www.house.gov/hensarling/rsc/doc/LB\\_062706\\_SSJCAAppropsFY07Amdts2.doc](http://www.house.gov/hensarling/rsc/doc/LB_062706_SSJCAAppropsFY07Amdts2.doc)  
[http://www.house.gov/hensarling/rsc/doc/LB\\_062706\\_SSJCAAppropsFY07Amdts3.doc](http://www.house.gov/hensarling/rsc/doc/LB_062706_SSJCAAppropsFY07Amdts3.doc)  
[http://www.house.gov/hensarling/rsc/doc/LB\\_062806\\_SSJCAAppropsFY07Amdts4.doc](http://www.house.gov/hensarling/rsc/doc/LB_062806_SSJCAAppropsFY07Amdts4.doc)  
[http://www.house.gov/hensarling/rsc/doc/LB\\_062806\\_SSJCAAppropsFY07Amdts5.doc](http://www.house.gov/hensarling/rsc/doc/LB_062806_SSJCAAppropsFY07Amdts5.doc)

- Makes a variety of funding adjustments within the Department of Justice. Highlights include:
  - Increasing DoJ General Administration, Salaries and Expenses from \$86.3 million in FY2006 to \$97.1 million.
  - Increasing U.S. Marshals Service, Salaries and Expenses from \$782.9 million in FY2006 to \$808.0 million.
  - Increasing **Bureau of Alcohol, Tobacco, Firearms, and Explosives**, Salaries and Expenses from \$911.8 million in FY2006 to \$979.2 million.
  - Increasing Federal Prison System, Salaries and Expenses from \$4.83 billion in FY2006 to \$4.97 billion.
  - Increasing the **Community Oriented Policing Services (COPS) Program** from \$472.2 million in FY2006 to \$541.7 million.

- Increases the **Byrne state and local law enforcement grants** from \$189.3 million to \$298.0 million.
- Increases the non-construction expenses of the FBI from \$5.66 billion in FY2006 to \$5.96 billion.
- Increases U.S. Attorneys, Salaries and Expenses from \$1.58 billion in FY2006 to \$1.65 billion.
- Increases the Federal Prison System, Buildings and Facilities **from \$89.0 million in FY2006 to \$432.3 million.**
- Increases Bureau of the Census, Periodic Censuses and Programs from \$606.4 million in FY2006 to \$694.1 million.
- Increases NASA funds for science, aeronautics, and exploration from \$9.64 billion in FY2006 to \$10.08 billion. Decreases NASA funds for exploration capabilities from \$6.58 billion in FY2006 to \$6.14 billion.
- Increases National Science Foundation, research and related activities from \$4.26 billion to \$4.67 billion.
- Increases the **Legal Services Corporation** from \$326.6 million in FY2006 to \$348.6 million. Both the House bill for FY2007 and the Bush budget request would reduce this funding by about \$13 million and \$16 million, respectively.
- Rescinds a variety of unobligated DoJ balances, as follows:
  - \$2.5 million from the working capital fund;
  - \$39.0 million from the Telecommunications Carrier Compliance Fund;
  - \$8.0 million from the Violent Crime Reduction Trust Fund;
  - \$170.0 million from the Assets Forfeiture Fund; and
  - \$109.0 million from prior-year Office of Justice Programs appropriations, except those for the COPS program.
- Rescinds two unobligated Department of Commerce balances, as follows:
  - \$25.0 million from the National Oceanic and Atmospheric Administration; and
  - \$7.0 million from the Industrial Technology Services of the National Institute of Standards and Technology.
- Strips a variety of earmarks from the Departments of Justice, Commerce, and State, as well as several of the independent agencies under this title.
- Prohibits funds from being used to implement any reduction in force or other involuntary separations (except for just cause) by NASA during FY2007.

- Sets at \$0 the funds for the following:
  - Centralized Information Technology Modernization Program at the State Department (funded in FY2006 at \$68.5 million)
  - A grant to the Center for Middle Eastern-Western Dialogue Trust Fund (funded in FY2006 at \$5.9 million)
- Increases educational and cultural exchange programs at the State Department from \$426.3 million in FY2006 to \$445.3 million.
- Decreases the payment to the American Institute in Taiwan from \$19.5 million in FY2006 to \$15.8 million.
- Increases contributions to international peacekeeping activities from \$1.02 billion in FY2006 to \$1.14 billion.
- Rescinds \$6.1 million in unobligated balances from the Small Business Administration's Salaries and Expenses account.

## **Chapter 10—Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies**

*RSC Staff Contact: Paul Teller*

On June 14, 2006, the House passed the FY2007 Transportation, Treasury, Housing and Urban Development (TTHUD) Appropriations Act (H.R. 5576) by a vote of 406-22 (<http://clerk.house.gov/cgi-bin/vote.asp?year=2006&rollnumber=286>).

To read the RSC Legislative Bulletin on the House-passed bill, visit these webpages:

[http://www.house.gov/hensarling/rsc/doc/LB\\_061306\\_TTHUDApprops.doc](http://www.house.gov/hensarling/rsc/doc/LB_061306_TTHUDApprops.doc)

[http://www.house.gov/hensarling/rsc/doc/LB\\_061306\\_TTHUDAppropsAmdts1.doc](http://www.house.gov/hensarling/rsc/doc/LB_061306_TTHUDAppropsAmdts1.doc)

[http://www.house.gov/hensarling/rsc/doc/LB\\_061306\\_TTHUDAppropsAmdts2.doc](http://www.house.gov/hensarling/rsc/doc/LB_061306_TTHUDAppropsAmdts2.doc)

[http://www.house.gov/hensarling/rsc/doc/LB\\_061406\\_TTHUDAppropsAmdts3.doc](http://www.house.gov/hensarling/rsc/doc/LB_061406_TTHUDAppropsAmdts3.doc)

- Rescinds \$50 million of funds for compensating the airlines for the September 11<sup>th</sup> attacks (Section 101(a)(2) of Public Law 107-42).
- Prohibits any funds for further reimbursements of airports that were closed in the wake of the September 11<sup>th</sup> attacks.
- Increases funds for Federal Aviation Administration operations from \$8.10 billion in FY2006 to \$8.33 billion.
- Rescinds \$621.0 million in current- and prior-year funds for airport planning and development grants.
- **Increases the obligation limit in the Highway Trust Fund from \$35.67 billion in FY2006 to \$39.09 billion.** (This “full-funding” of the highway bill, SAFETEA-

LU, matches the increase in the President's budget request and in the House-passed bill.)

- Rescinds \$3.47 billion of unobligated funds (contract authority) from transportation formula funds to states—without a corresponding reduction in obligation limits. **Conservatives may see this as a “gimmick”** that technically scores as savings (for the purposes of the budget resolution) but produces no actual savings in the real world. In other words, CBO does not score this rescission as producing any real *outlay* savings because the money was not going to leave the Treasury. This rescission will not reduce actual federal spending by one penny.
- Increases the obligation limit for **motor carrier safety operations and programs** from \$210.9 million in FY2006 to \$223.0 million.
- Increases the obligation limit for **motor carrier safety grants** from \$279.2 million in FY2006 to \$294.0 million.
- Decreases the funds for railroad research and development from \$54.5 million in FY2006 to \$34.5 million.
- Prohibits funds for Alaska Railroad Rehabilitation (funded last year at \$9.9 million).
- Increases **capital investment grants for transit systems** from \$1.44 billion in FY2006 to \$1.57 billion.
- Increases the obligation limits for **formula and bus grants** from the Highway Trust Fund's Mass Transit Account from \$6.91 billion in FY2006 to \$7.26 billion.
- Rescinds a variety of unobligated transportation-spending balances, as follows:
  - \$74.4 million from the National Defense Tank Vessel Construction Program;
  - \$2.0 million from ship construction (Maritime Administration); and
  - \$1.0 million from the National Transportation Safety Board (funds from the 106<sup>th</sup> Congress).
- Increases funds for **tenant-based rental assistance** for public and Indian housing from \$15.42 billion in FY2006 to \$15.92 billion. Of this amount, \$14.44 billion would be for Section 8 housing (up from \$13.95 billion in FY2006).
- Revises the formula for Section 8 housing renewals to be based on voucher management system leasing and cost data for the most recent one-year period for which complete and verifiable data are available. The HUD Secretary would then use an Annual Adjustment Factor to make “any necessary adjustments” and prorations. The current formula is based on older, less-reliable data and reportedly leads to some Public Housing Authorities (PHAs) getting more money than they can spend, while others get less than they say they need.

- Increases funds for **project-based rental assistance** for public and Indian housing from \$5.04 billion in FY2006 to \$5.98 billion.
- Increases funds for the **Public Housing Operating Fund** from \$3.56 billion in FY2006 to \$3.86 billion.
- Increases the **loan guarantee limit for the Indian Housing Loan Guarantee Fund** Program from \$116.3 million to \$251.0 million.
- Rescinds \$1.65 billion from the Housing Certificate Fund in FY2006 and before. (The President's request and the House bill contained a \$2.0 billion rescission from this Fund.)
- Strips a variety housing-related earmarks.
- Decreases funds for the Community Development Fund from \$4.18 billion (regular appropriations) in FY2006 to \$3.77 billion. Note: this Fund received \$11.5 billion in emergency funds in FY2006.
- Restores the Mark-to-Market Program, which expired last year, through October 1, 2011.
- Extends the **severely distressed public housing grants program** for one year (President and House bill had proposed to terminate it).
- Increases Department of the Treasury salaries and expenses from \$194.6 million in FY2006 to \$215.2 million.
- Restructures the funding accounts for the Internal Revenue Service, in line with what the House-passed bill proposed. Allows transfers among accounts (up to 10%) in FY2007 to help implement this restructuring.
- Increases salaries and expenses for the courts of appeals, district courts, and other judicial services from \$4.33 billion in FY2006 to \$4.50 billion.
- Provides that the first vacancy in the office of district judge in the district of Kansas occurring 16 years or more after the confirmation of a temporary judgeship for Kansas in current law would not be filled.
- Prohibits a reorganization of the Office of National Drug Control Policy without the explicit approval of the Appropriations committees.
- Decreases funds for the Office of National Drug Control Policy from \$26.6 million in FY2006 to \$20.0 million.

- Decreases the limit on the Federal Buildings Fund (for acquisition of facilities, rental of office space, etc.) from \$7.79 billion in FY2006 to \$7.60 billion. \$89.1 million of such funds would be for border station construction from money in the U.S. Treasury not otherwise appropriated. None of these funds could be obligated for the Coast Guard consolidation and development of St. Elizabeths campus in the District of Columbia (the proposed new home of the Homeland Security Department; the Administration strongly opposes this prohibition).
- Decreases salaries and expenses of the Office of Personnel Management from \$121.3 million in FY2006 to \$111.1 million.
- Decreases the payment to the U.S. Postal Service Fund from \$42.9 million in FY2006 to \$29.0 million (same as House-passed bill).
- Increases the federal payments to the District of Columbia for court services, the Offender Supervision Agency, and the Public Defender from \$199.4 million in FY2006 to \$209.6 million.
- Eliminates payments to DC for the National Guard Youth Challenge Program and for the marriage development accounts (saves about \$3.5 million—same as President’s request and House-passed bill).
- Decreases the federal payment for emergency planning and security costs in DC from \$13.4 million in FY2006 to \$8.5 million (same as the President’s request and the House-passed bill).
- Eliminates spending on the Treasury Department’s Air Transportation Stabilization Program and the Department’s Building and Annex Repair and Restoration account (reduces funds by a total of \$12.6 million over FY2006—same as President’s request and the House-passed bill).

## **Chapter 11—Homeland Security**

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On June 6, 2006, the House passed the FY2007 Homeland Security Appropriations Act (H.R. 5441) by a vote of 389-9 (<http://clerk.house.gov/cgi-bin/vote.asp?year=2006&rollnumber=226>). On September 29, 2006, the House passed the conference report for H.R. 5441 by a vote of 412-6 (<http://clerk.house.gov/cgi-bin/vote.asp?year=2006&rollnumber=509>). On October 4, 2006, the bill became Public Law 109-295.

To read the RSC Legislative Bulletin on the conference report, visit this webpage: [http://www.house.gov/hensarling/rsc/doc/LB\\_092906\\_FY07DHSAppropsConfRpt.doc](http://www.house.gov/hensarling/rsc/doc/LB_092906_FY07DHSAppropsConfRpt.doc).

- Transfers \$155.6 million in several unobligated Homeland Security balances to the expenses account of the Transportation Security Administration (TSA). Most of the unobligated balances would come from TSA itself, but not from certain high-profile

programs and activities, such as the explosive detection system, aviation regulation, and air cargo.

**Administration Policy:** According to the Statement of Administrative Policy (SAP), the Administration is “pleased that H.J. Res. 20, the full-year continuing resolution for FY 2007, appears to hold to this discretionary topline while avoiding further reductions to programs funded by the FY 2007 Defense Appropriations Act” However, the SAP states that “the Administration is disappointed ...with the structure of H.J.Res. 20 and the process used to create it. H.J.Res. 20 uses a formulaic approach for much of the FY 2007 funding and fails to take into account funding for new priorities and opportunities for savings. As a result, certain high priority areas are not adequately addressed, and the Committee has missed the opportunity to achieve significant savings for the taxpayer. ... Since H.J.Res. 20 will be considered on the House floor without the benefit of a Committee markup, **the Administration believes it is important that amendments be considered to address concerns about the bill and to take advantage of opportunities to save taxpayer money by eliminating wasteful spending**” (emphasis added).

In addition, the SAP expressed a number of concerns with various provisions in the bill, including the following:

- “The Administration strongly opposes the Committee's reduction of \$3.1 billion from the President's request, which will significantly delay BRAC implementation, increase the risk that DOD would not meet its statutory deadline to implement BRAC by FY 2011, reduce BRAC savings, delay or postpone scheduled redeployments of military personnel and their families from overseas stations to the United States, and negatively impact many communities throughout the country that have begun making specific plans in response to BRAC.
- “The Committee provides less than \$2.5 billion, a reduction of \$746 million from the request and \$148 million below the 2006 enacted level. A reduction of this magnitude below the 2006 enacted level will affect the Administration's ability to carry out critical foreign policy priorities, including crucial democracy, infrastructure sustainment, and economic development programs in Iraq.
- “Additionally, the Administration is disappointed that Congress does not permanently rescind excess balances from the Crime Victims Fund. The use of an obligation delay allows these balances to 'roll over' and become available year after year, as a never-ending budget offset. This tactic undermines the budget process because the same offset is counted each year.
- “The Administration strongly objects to the prohibition on the development of the St. Elizabeths campus as a headquarters for the Department of Homeland Security. In addition, the Administration objects to the large set-aside for courthouse construction, which constrains GSA's ability to determine construction projects on an objective basis.
- “The Administration believes that providing funding at the 2006 enacted level of nearly \$1.3 billion for Amtrak is excessive. Providing this excessive level of

subsidy for Amtrak, a private corporation, undermines any incentive for the railroad to exercise fiscal discipline.”